

CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

RECYCLING FACILITY FINANCING SEMINAR
JANUARY 29, 2015



ABOUT IBANK

The I-Bank was created in 1994 to finance public infrastructure and private development that creates good jobs, a strong economy and a clean environment to improve the quality of life for the people of California.

Infrastructure and Economic Development



IBANK PROGRAMS



Infrastructure State Revolving Fund Program (ISRF)



Statewide Energy Efficiency Program (SWEEP)



501(c)(3) Revenue Bond Program



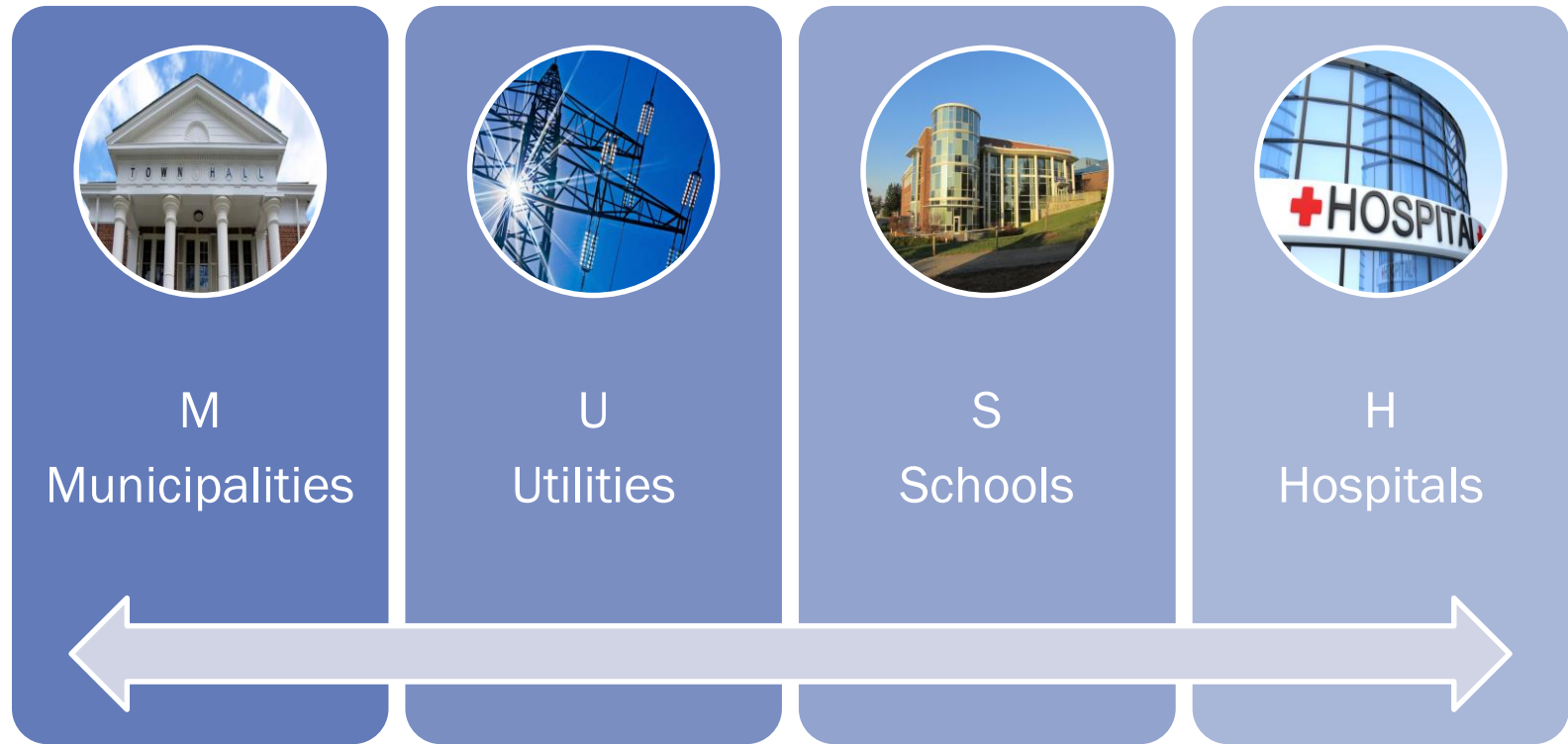
Industrial Development Revenue Bond Program



Small Business Loan Guarantee Program



PRIMARY INFRASTRUCTURE FOCUS: THE MUSH MARKET



ECONOMIC DEVELOPMENT: SMALL BUSINESSES



SMALL BUSINESSES COMPRISE WHAT SHARE OF THE U.S. ECONOMY?

Small businesses make up:

64 % of net new private-sector jobs,
49.2 % of private-sector employment,
42.9 % of private-sector payroll,
46 % of private-sector output,
43 % of high-tech employment,
98 % of firms exporting goods, and
33 % of exporting value.

SOURCE: U.S. CENSUS BUREAU, SUSB, CPS; INTERNATIONAL
TRADE ADMINISTRATION; BUREAU OF LABOR STATISTICS, BED;
ADVOCACY-FUNDED RESEARCH, SMALL BUSINESS GDP: UPDATE
2002-2010





Infrastructure State Revolving Fund (ISRF)

Provides financing to public agencies and non-profit corporations for a wide variety of infrastructure and economic development projects.

ISRF Program funding is available in amounts ranging from \$50,000 to \$25,000,000 (or more with Board approval), with loan terms up to 30 years.



Infrastructure State Revolving Fund Program (ISRF)

TYPES OF ELIGIBLE PROJECTS



Power



Streets
and
Highways

Water



Public
Transit



ELIGIBLE TYPES OF PROJECTS

- ☐ city streets
- ☐ county highways
- ☐ state highways
- ☐ drainage
- ☐ water supply
- ☐ flood control
- ☐ educational facilities
- ✓ **environmental mitigation**
- ☐ parks
- ☐ recreational facilities
- ☐ port facilities

- ☐ public transit
- ☐ sewage collection and treatment
- ✓ **solid waste collection and disposal**
- ☐ water treatment and distribution
- ☐ defense conversion
- ☐ public safety facilities
- ☐ power and communications facilities
- ☐ cultural facilities
- ☐ social facilities
- ✓ **industrial, utility and commercial facilities**

Infrastructure State Revolving Fund Program (ISRF)



CRITERIA

- Borrower operates in California
- Qualified project
- Meet feasibility requirements
 - Permits
 - Source of repayment
 - Project fund sources available
 - Prevailing wage and contractor pre-qualification
 - Not relocating business from one jurisdiction to another



CERTIFICATIONS

APPLICANTS MUST CERTIFY
THAT IT CONSIDERED:

- The impact on land resources and need to preserve
- The economic and social desirability of the project
- Consistency with the State Environmental Goals and Policy Report



Rate Methodology

- Benchmarked to Thompsons Municipal Data Index
- Generally below market rate

The result offers a rate better than that of a public offering



http://ibank.ca.gov/res/docs/Applications%202014/Interest_Rate_Setting_Guideline.pdf





Process: Call us!

We want to give you personal attention and hear about your project.



- Call us and discuss project
- IBank representative works with you throughout the process
- Application on line
- Determine and certify project consistent with The State Environmental Goals and Policy Report
- Applicant resolution to certify project meets criteria and goals of the State
- Final approval by IBank Board of Directors



DEL NORTE COUNTY SOLID WASTE & RECYCLE

Phase 1 of a project in Crescent City for
a new facility

\$3,535,000

- Construction of transfer station
- Gatehouse and scale
- Hazardous waste building
- Installation of power, water and sewer





State Wide Energy Efficiency Program
(SWEET)

**In 2014
IBank established the
Clean Energy Finance Center
and created the
Statewide Energy Efficiency
Program (SWEET)**



Statewide Energy Efficiency Program (SWEEP)



Generation

- Solar, Wind, Biomass, Hydroelectric



Conservation

- EE Retrofits, LED lights, Building automation and controls



Other

- Energy storage, transmission, and distribution; EV charging stations



Statewide Energy Efficiency Program (SWEEP)

VARIETY OF FINANCING MECHANISMS

- Direct Loans
- Tax Exempt Bonds
- Green Bonds
- Loan Guarantee



PROJECT TYPES

- Advanced metering systems to support conversion of master-metered buildings to sub-metering
- Data center, information technology, communications
- Energy management and/or control systems
- Demand response programs
- Water/wastewater, pipeline, mining/extraction, and similar end-use processes, facilities, buildings, and infrastructure
- Lighting and control systems
- Converting incandescent to CFL
- LED repairs, replacements and upgrades
- Heating, ventilation and air conditioning systems (HVAC)
- Building envelope
- Occupant plug load management systems
- Load reduction
- Thermal and electric energy storage

SAN FRANCISCO STREET LIGHTS

LED STREET LIGHT CONVERSION PROJECT

- The conversion of all 18,500 streetlights
- LED lights consume 50% less energy
- Remote monitoring
- Save the City money, create jobs and support local small businesses

Cost : \$16 million



VARIETY OF BOND PROGRAMS

Low Rates and Long Terms



BONDS

Industrial Development Revenue Bonds (IDB)

tax-exempt conduit revenue bond financing for eligible small- to mid-size manufacturing companies

501(C)(3) Revenue Bond Program

tax-exempt conduit revenue bond financing for certain nonprofit public benefit corporations

Public Agency Revenue Bond Program

tax-exempt conduit revenue bond financing for governmental entities and revenue bonds issued to leverage IBank's ISRF Program

Other Taxable and Tax-Exempt Revenue Bonds

this category captures IBank project funding that does not meet the criteria of any of the bond programs listed above





- ***Canyon Plastics, Inc. Project*** – The IBank Board approved December 16, 2014, \$9.5 million of tax-exempt and taxable Industrial Development Revenue Bonds. The proceeds will be used to refinance debt and finance the acquisition and installation of equipment and a solar photovoltaic system at a plastic injection molding manufacturing facility in Valencia, Los Angeles County.



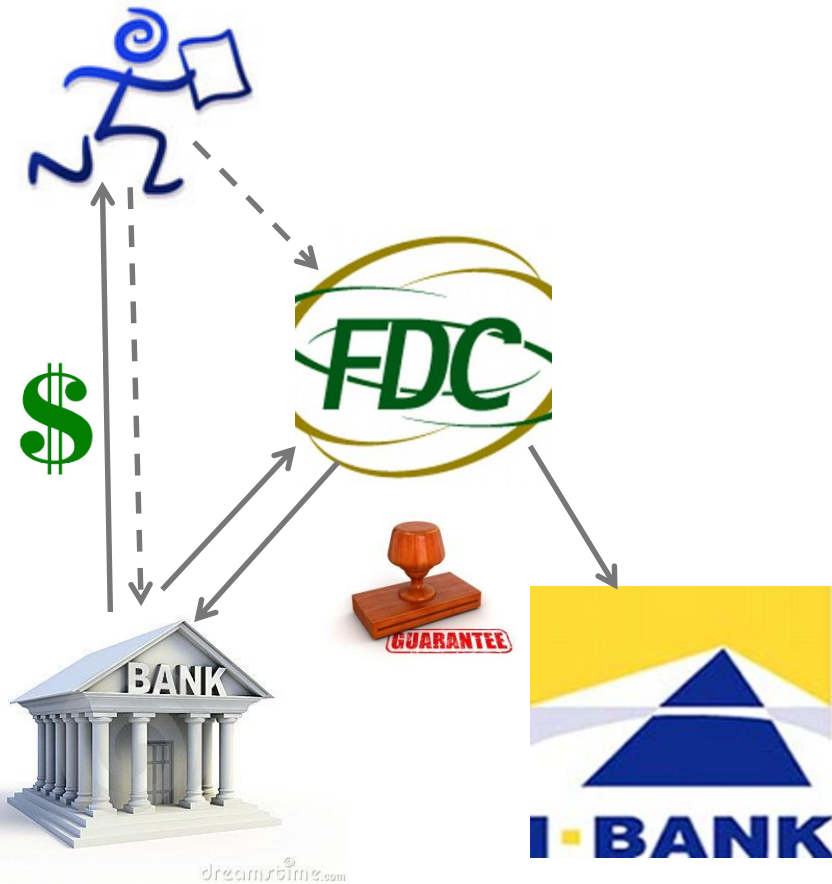


Small Business Loan Guarantee Program (SBLGP)

The SBLGP helps provide loans to small businesses that experience capital access barriers.

Since 1968 the program has guaranteed over 30,000 loans to lending institutions that are committed to helping small businesses grow and prosper in California and their communities.





HOW IT WORKS

IBank partners with Financial Development Corporations (FDC's) to guarantee loans made by Financial Institutions.

Guarantees up to 80% give lenders additional incentive to make loans to small businesses.



ACCEPTABLE LOAN PURPOSES

- New Construction
- Renovation
- Business Expansion
- Purchase Equipment
- Working Capital
- Lines of Credit
- Franchise Fees
- Gap financing before SBA loan

SMALL BUSINESS = 750
EMPLOYEES OR LESS



LOAN GUARANTEE TERMS

- Loans up to \$20 million
- Max guarantee \$2.5 million
- Guaranteed up to 7 years; loan term can be longer
- Loan interest rates negotiated between lender and borrower
- Qualifications based on lender criteria



FDC CONTACT INFORMATION

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TRADING CORP.

\$3,900,000 Project

Purpose:

- Refinance prior business debt
- Establish new working capital line of credit
- Borrower gets lower payments and capital for expansion
- Lender gets a 64% guarantee from the State, or \$2,500,000 as an incentive to make the loan
- Wholesaler specializing in close-out merchandise and overstock
- Customer base: Individuals, small wholesalers and retailers
- The company has experienced substantial growth and sustained 70 employees



CONTACT INFORMATION

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